State of Alaska
FY2009 Governor's Operating Budget

Department of Health and Social Services

Department of Health and Social Services

Mission

To promote and protect the health and well being of Alaskans.

Core Services

- Provide quality assisted living in a safe home environment.
- Provide an integrated behavioral health system.
- Promote stronger families, safer children.
- Manage health care coverage for Alaskans in need.
- Address juvenile crime by promoting accountability, public safety and skill development.
- Promote self-sufficiency and provide basic living expenses to vulnerable Alaskans in need.
- Protect and promote the health of Alaskans.
- Promote independence of Alaska Seniors and people with physical and developmental disabilities.
- Provide quality administrative services in support of the Department's mission.

While the core services serve as the basis for the department's service delivery system the Department has three main guiding principles: self sufficiency for Alaskans, a strong safety net for those who cannot provide for themselves, and local access to care.

End Result	Strategies to Achieve End Result
A: Outcome Statement #1: Provide a safe living environment for elderly pioneers and veterans. Target #1: Injury rate below half the national standard, which is two to six percent. Measure #1: Pioneers Home sentinel event injury rate.	**A1: Provide sufficient staffing for safe environment in the homes.**
End Result	**Strategies to Achieve End Result**
B: Outcome Statement #2: Improve and enhance the quality of life for Alaskans with serious behavioral health problems. Target #1: To reduce the number/percentage of children in out-of-state placement by 50 children annually over the next seven years. Measure #1: Change in number/percentage of children reported in out-of-state care from Medicaid MMIS. Target #2: To reduce the rate of suicides in Alaska to 10.6 deaths per 100,000 population. Measure #2: Alaska's suicide death rate compared to national rate. Target #3: Reduce 30 day readmission rate for API to 10%. Measure #3: Rate of API readmissions.	**B1: Provide enhancements to prevention and early intervention services.**
End Result	**Strategies to Achieve End Result**

C: Outcome Statement #3: Children who come to the attention of the Office of Children's Services are, first and foremost, protected from abuse or neglect. Target #1: Decrease the rate of substantiated allegations of child abuse and neglect in Alaska. Measure #1: The rate of child abuse and neglect per 1,000 children under the age of 18. Target #2: To decrease the rate of repeat maltreatment to meet or exceed the national standard of 6.1 percent. Measure #2: Percentage rate of repeat maltreatment. Target #3: Decrease the percentage of substantiated maltreatment by out-of-home providers. Measure #3: Percentage of children maltreated by an out-of-home provider. Target #4: Reduce the rate of staff turnover and increase the number of workers providing direct services at any given time. Measure #4: Annual employee turnover rate; number of positions available to provide direct services.	**C1: Implementation of new safety assessment model to provide front line workers with a better tool to identify safety issues in the home.** **C2: Children placed outside of the home are protected from further abuse and neglect.** **C3: Retain an effective and efficient workforce.**
End Result	**Strategies to Achieve End Result**
D: Outcome Statement #4: To provide quality management of health care coverage services to providers and clients. Target #1: Decrease average response time from receiving a claim to paying a claim. Measure #1: Average number of days per annum from receipt of claims to payment of claims. Target #2: Increase the percentage of adjudicated claims paid with no provider errors. Measure #2: Change in the percentage of adjudicated claims paid with no provider errors. Target #3: Reduce the rate of Medicaid payment errors. Measure #3: Improper payment estimates as provided to Center for Medicare and Medicaid Services.	**D1: Continue to develop new Medicaid Management Information System (MMIS).**
End Result	**Strategies to Achieve End Result**
E: Outcome Statement #5: Improve juvenile offenders' success in the community following completion of services resulting in higher levels of accountability and public safety. Target #1: Reduce percentage of juveniles who reoffend following release from institutional treatment facilities to less than 33%. Measure #1: Percentage change in reoffense rate following release from institutional treatment. Target #2: Reduce percentage of juveniles who reoffend following completion of formal court-ordered probation	**E1: Implement and review information from research-based assessment tools, and incorporate practices proven to reduce recidivism and criminal behavior among youth.**

supervision to less than 33%. Measure #2: Percentage change in re-offense rate following completion of formal court-ordered probation supervision. Target #3: Alaska's juvenile crime rate will be reduced by 5% over a two-year period. Measure #3: Percentage change of Alaska juvenile crime rate compared to the rate one and two years earlier. Target #4: Divert at least 70% of youth referred to the Division away from formal court processes as appropriate given their risks, needs, and the seriousness of their offenses. Measure #4: The percentage of referrals that are managed through informal processes.	
End Result	**Strategies to Achieve End Result**
F: Outcome Statement #6: Low income families and individuals become economically self-sufficient. Target #1: Increase self-sufficient individuals and families by 10% annually. Measure #1: Rate of change in self-sufficient families.	**F1: Use TANF high performance bonus funds for families approaching 60-month time limit.**
End Result	**Strategies to Achieve End Result**
G: Outcome Statement #7: Healthy people in healthy communities. Target #1: 80% of all 2 year olds are fully immunized. Measure #1: % of all Alaskan 2 year olds fully immunized. Target #2: Reduce post-neonatal death rate to 2.7 per 1,000 live births by 2010. Measure #2: Three year average post-neonatal mortality rate (Post-neonatal is defined as 28 days to 1 year). Target #3: Decrease diabetes in Alaskans. Measure #3: Prevalence of Diabetes among Adults (18+) in Alaska based upon three-year averages. Target #4: Decrease Alaska's adult obesity rate to less than 18%. Measure #4: Obesity rate of Alaskans.	**G1: Strengthen public health in strategic areas.**
End Result	**Strategies to Achieve End Result**
H: Outcome Statement #8: Senior and physically and/or developmentally disabled Alaskans live independently as long as possible. Target #1: Increase the number of DD waiver recipients receiving Supported Employment Services. Measure #1: % change of beneficiaries receiving supported employment services under Developmental Disabilities Waiver.	**H1: Promote independent living and provide preadmission screening to nursing homes.**

End Result	Strategies to Achieve End Result
I: Outcome Statement #9: The efficient and effective delivery of administrative services. Target #1: Reduce the average response time for complaints/inquiries to 14 days. Measure #1: Department Inquiry/Complaint "HSS Track" log response times. Target #2: Reduce by 5% per year processing time for key indicators. Measure #2: Track number of days it takes to process: Purchase Requisitions; Operating Grant Awards; Processing Time for Payments; Capital Grant Awards; and Legislative inquiries.	

FY2009 Resources Allocated to Achieve Results

FY2009 Department Budget: $2,147,187,000

Personnel:	
Full time	3,447
Part time	98
Total	3,545

Performance Measure Detail

A: Result - Outcome Statement #1: Provide a safe living environment for elderly pioneers and veterans.

Target #1: Injury rate below half the national standard, which is two to six percent.
Measure #1: Pioneers Home sentinel event injury rate.

Alaska Pioneer Home Sentinel Event Injury Rate

Year	Quarter 1	Quarter 2	Quarter 3	Quarter 4	YTD
2002	2.9%	0.7%	0%	0.37%	.99%
2003	1.1%	.04%	1.79%	1.5%	1.1%
2004	1.96%	0.1.26%	0.97%	1.47%	1.45%
2005	2.6%	2.4%	1.5%	2.3%	2.2%
2006	0.6%	2.7%	1.3%	1.1%	1.43%
2007	3.5%	1.2%	2.0%	2.1%	2.2%
2008	1.5%	0 0%	0 0%	0 0%	0 0%

The Sentinel Event injury rate reports the percentage of falls that resulted in a major injury. The rate is calculated by dividing the number of Sentinel injuries to Pioneer Homes residents by the total number of falls reported for the same quarter.

Analysis of results and challenges: The elderly, who represent 12 percent of the population, account for 75 percent of deaths from falls.

The average age in the Pioneer Homes is 84.9. This puts the residents in the highest risk category, and they are more likely to suffer a serious injury from a fall, and experience significant morbidity thereafter.

The Pioneer Homes will respond to serious injuries with root cause analysis investigations and corrective action plans to address underlying causes.

Despite remarkable advances in almost every field of medicine, the age-old problem of health-care errors continues to haunt health care professionals. When such errors lead to "sentinel events," those with serious and undesirable occurrences, the problem is even more disturbing. The event is called "sentinel" because it sends a signal or warning that requires immediate attention. One in three people age 65 and older, and 50 percent of those 80 and older fall each year. The National Safety Council lists falls in older adults as five times more likely to lead to hospitalization as other injuries. One estimate suggests that direct medical costs for fall-related injuries will rise to $32.4 billion by 2020. Falls can have devastating outcomes, including decreased mobility, function, independence, and in some cases, death.

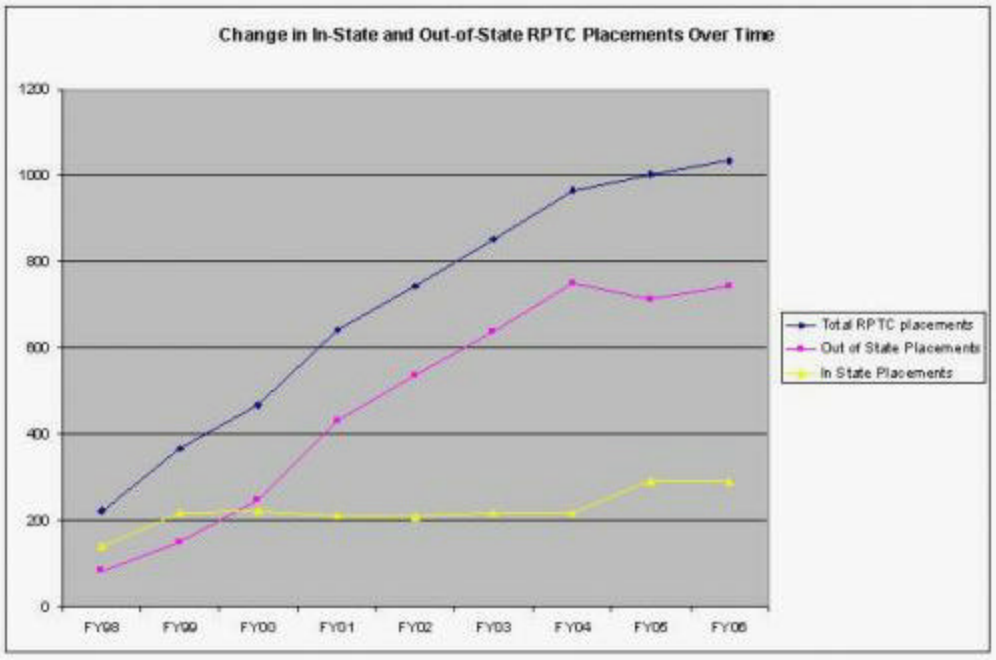
See Alaska Pioneer Homes Division Level Strategy A2: Target 1: Measure 1 for additional explanation.

A1: Strategy - Provide sufficient staffing for safe environment in the homes.

B: Result - Outcome Statement #2: Improve and enhance the quality of life for Alaskans with serious behavioral health problems.

Target #1: To reduce the number/percentage of children in out-of-state placement by 50 children annually over the next seven years.

Measure #1: Change in number/percentage of children reported in out-of-state care from Medicaid MMIS.



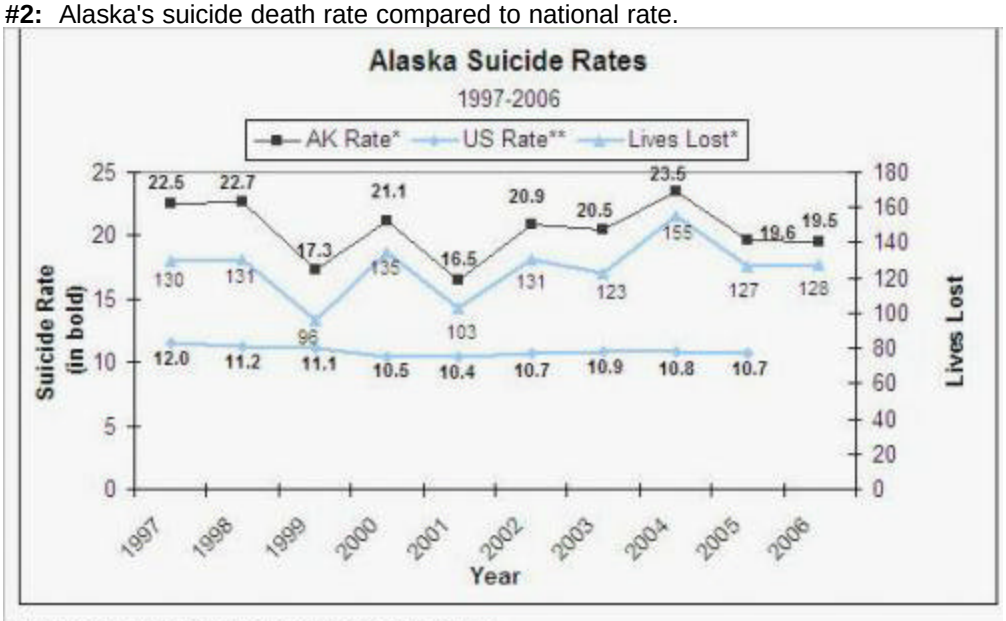
Source: DBH Policy and planning using MMIS-JUCE data, unduplicated count of RPTC beneficiaries.

Analysis of results and challenges: For the past eight years there has been a steady increase in the number of children receiving out-of-state Residential Psychiatric Treatment Center (RPTC) services. Between FY 1998 and 2004, the unduplicated number of youth with Serious Emotional Disorders (SED) receiving out-of-state RPTC care has steadily increased – on average 46.7% per year. The RPTC population as a whole has also showed steady increase from FY 98-04, an average annual increase of 24.8%.

The Bring the Kids Home Project was initiated during FY 2004. Positive changes are already apparent. Between FY 2004 and 2005 there was a 5.1% reduction in the number of children receiving out-of-state RPTC care, from 749 to 711. However, between FY 2005 and 2006, there was again an increase in out-of-state placement, of 5%, from 711 to 743. In FY 2006, there was a 3% increase in total RPTC placements. The historical average increase of 46.7% for out-of-state placements has been effectively challenged with the efforts to enhance "step-down" activities, that is, programs for children that are less intensive, less restrictive, and closer to home, than out-of-state residential programs.

Alaska Statute 47.07.032 requires that the department may not grant assistance for out-of-state inpatient psychiatric care if the services are available in the state. To that end, the department has developed and implemented "diversion" activities, including aggressive case management services that discharge and return children to less restrictive levels of care; utilization review staff implementing gate-keeping protocols with a "level of care" instrument that ensures appropriate placements; and collaboration with community-based providers to augment services at the least restrictive level within a client's home community. There have also been multiple capital projects initiated to increase the number of beds in-state, some of which became available in FY 07. As more new beds and other programs become available, it is anticipated that there will be further impact on the rate of out-of-state placements. This project is a collaboration of the Division of Behavioral Health, Division of Juvenile Justice and Office of Children's Services, in partnership with the Alaska Mental Health Trust Authority.

Target #2: To reduce the rate of suicides in Alaska to 10.6 deaths per 100,000 population.
Measure #2: Alaska's suicide death rate compared to national rate.



Rates are age-adjusted per 100,000 population.
*The Alaska rate and lives lost count for 2006 are preliminary.
**U.S. suicide rate for 2005 is preliminary and 2006 data is unavailable at time of publication

Rate of Suicides 1998-2006

Year	Alaska Rate	Lives Lost	US Rate
1998	22.7	131	11.2
1999	17.3	96	11.1
2000	21.1	135	10.5
2001	16.5	103	10.4
2002	20.9	131	10.7
2003	20.5	123	10.9
2004	23.5	155	10.8
2005	19.6	127	10.7
2006	19.5	128	N/A

**Rate is number per 100,000 standard population and accounts for differences in population distribution.*
**CY 2006 Alaska data is preliminary; U.S. Data for 2006 is not available.*

Analysis of results and challenges: Alaska averages 125 suicides per year and has a suicide rate double the national suicide rate. The Healthy Alaskan 2010 target is to reduce Alaska's rate to 10.6 deaths per 100,000 populations. The suicide rate for Alaska in 2006 shows a slight decline in rate, however is still much higher than the target. This measure reflects a system-wide problem that takes coordination between state agencies, community providers, school districts and faith-based organizations.

Work continues to better understand the underlying causes of suicide of Alaskans. The Statewide Suicide

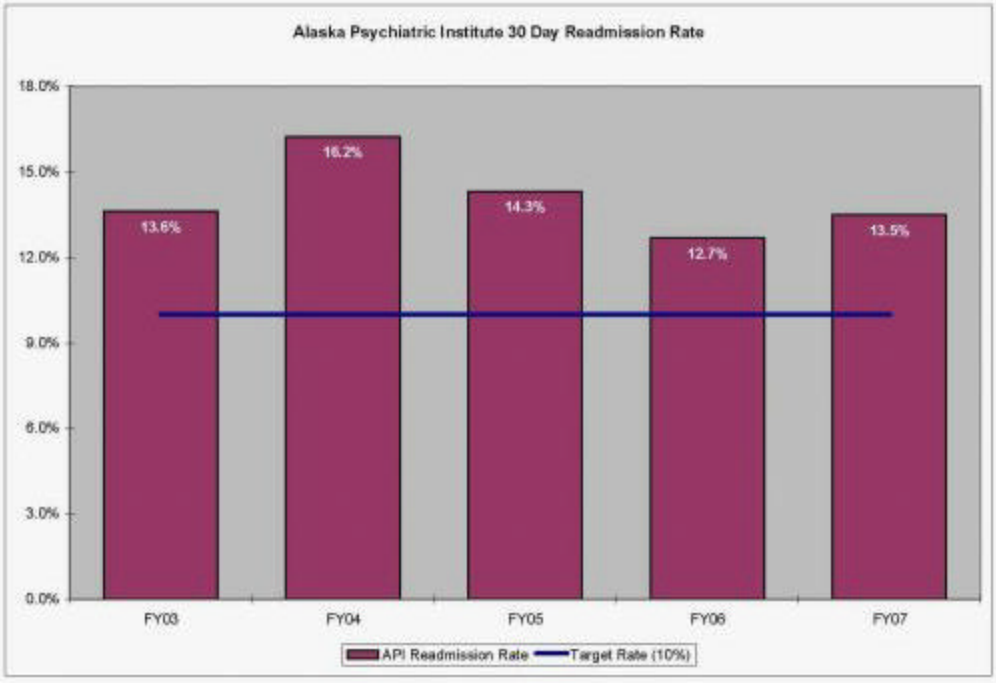
Prevention Council partners with the Department of Health and Social Services, Division of Behavioral Health to provide training on the Statewide Suicide Prevention Plan and assessing community readiness for decreasing suicide and non-lethal suicidal behaviors. The Division of Behavioral Health has done the following: required all community-based suicide grantees align their suicide prevention efforts with the Suicide Prevention plan; conducted a presentation on community-based planning implementing effective strategies aligned with the statewide plan; and coordinated with Native health corporations, police, chaplains, and other groups to assist in suicide prevention or coping program design.

An interim report of the Suicide Follow-Back Study shows the following system-wide factors, based on a limited number of interviews, of those related to or close to those who had died by suicide:

54% had quit working during the preceding year;
47% were seeing a therapist at the time of their death;
59% had current prescriptions for mental health problems;
65% experienced an event that caused a great deal of shame (such as sexual abuse, child porn, an arrest, etc.);
61% had problems with law enforcement;
20% were abused as children – 80% by their fathers;
50% were seen by a doctor in the last six months;
46% had symptoms of post traumatic stress disorder (PTSD);
62% were active smokers;
33% had prior suicide attempts; and
20% had recent exposure to suicide of a loved one.

The rate of suicides and number of deaths is higher in the Northern/Interior and Southwest regions of Alaska and is more predominant in the 15-24 age groups. The overall age span with highest suicide incidents is 15-24.

Target #3: Reduce 30 day readmission rate for API to 10%.
Measure #3: Rate of API readmissions.



Analysis of results and challenges: This measure tracks the percent of admissions to the facility that occurred within 30 days of a previous discharge of the same client from the same facility. For example, a rate of 8.0 means that 8% of all admissions were readmissions. This measure not only is an indication of successful outcomes for API, but also of the mental health community system. The ultimate goal is to have Alaska's rate fall below 10%.

According to data for FY 07, API and the 'system' continue to demonstrate unsatisfactory outcomes. API

relocated to a new hospital in July 2005. The success of a 'downsized' state psychiatric hospital was predicated on increased funding for community providers and establishing 18 designated evaluation and treatment beds in Anchorage. These initiatives did not receive planning or funding. As a result, API comes under increasing pressure to shorten length of stays for acutely ill psychiatric patients who ultimately return to the hospital due to lack of adequate supportive housing and treatment options. In FY07, API admitted 1,231 patients of whom 166 returned within 30 days for a 13.5% readmission rate.

B1: Strategy - Provide enhancements to prevention and early intervention services.

C: Result - Outcome Statement #3: Children who come to the attention of the Office of Children's Services are, first and foremost, protected from abuse or neglect.

Target #1: Decrease the rate of substantiated allegations of child abuse and neglect in Alaska.
Measure #1: The rate of child abuse and neglect per 1,000 children under the age of 18.

Rate of Child Abuse and Neglect Per 1,000 Children Under Age 18 in Alaska

Year	Rate Per 1,000	National Rate
FY 2006	23.8	11.9
FY 2007	24.1 +1.26%	11.9 0%

FY 2006 measures forward represent an unduplicated number of children with substantiated abuse or neglect per 1,000 children in the population. The population equals the number of children under the age of 18 years as estimated by the Department of Labor and Workforce Development during the year prior to reporting.

Source: Target of 11.9 - United States Department of Health and Human Services Administration for Children and Families, Child Maltreatment, 2004.

Analysis of results and challenges: The Office of Children's Services goal is to protect children from abuse and neglect. Measuring the success of children's services agencies can be done, in part, through the number of substantiated child protective services reports received per 1,000 children under the age of 18 in the state.

In FY 2004, national levels of substantiated abuse and neglect per 1,000 children was calculated by Child Trends Databank at 11.9 and averaged 12.2 over five years. This places Alaska's victim rate at 31% higher than the national average.

The Office of Children's Services is continuing to implement our new safety decision making practice. The new model has proved to be more of a paradigm shift than was previously anticipated; therefore the implementation of new practice standards is taking longer than originally anticipated. The new model of working with families will lead to improved outcomes for the children and families needing OCS intervention. New practice standards have revealed that additional specialized training is necessary and is being pursued through the University of Alaska.

One of the fundamental differences in the new model requires workers to do an assessment of the entire family and their overall functioning and to look beyond whether the abuse or neglect is substantiated or not substantiated. In the past, workers focused just on the maltreatment itself and did not address other issues going on in the home. This resulted in missed opportunities to engage families in remedial services to avoid subsequent abuse and neglect to the child. Further, the new model helps workers to understand the essential differences in whether the child is unsafe or at risk. Unsafe determinations require OCS intervention, while risk factors may necessitate a referral to community resources. This will result in better identification of families that must be served by the child protective services system versus those that can be served by other resources.

Target #2: To decrease the rate of repeat maltreatment to meet or exceed the national standard of 6.1 percent.
Measure #2: Percentage rate of repeat maltreatment.

Rate of Repeat Maltreatment

Year	YTD	Target
2005	10.6%	6.1%
2006	10.4%	6.1%
2007	11.4%	6.1%

Data Source: National Child Abuse and Neglect Data System and Alaska's Online Resources for the Children of Alaska (ORCA).

Analysis of results and challenges: The federal guideline for repeat maltreatment includes all children who are victims of substantiated child abuse and/or neglect twice during a six-month period. Because Alaska's rate of repeat maltreatment has been so high, a protocol was developed to more closely examine past investigations resulting in a substantiated finding of abuse or neglect. If there have been past substantiated investigations, the OCS worker will review the previous record to ascertain whether the newly reported allegations are against the same child by the same maltreater. If so, the worker and his/her supervisor will devise a strategy for intervention for the current investigation acknowledging that there may be a pattern of abuse that needs to be recognized. The supervisor will closely monitor the progress of the investigation and ensure the appropriate actions are taken to protect the child from further abuse.

The OCS anticipates improvements in the number of repeat maltreatment cases not only due to the improved business practices set out above.

Business practices continue to be upgraded as the OCS is receiving technical assistance from the Annie E. Casey Foundation to improve foster care and the approach to foster care. In addition, the OCS is restructuring the administration of foster care and adoptions by moving all of the work to one section and moving the supervision and decision making from the field up through state office to alleviate any conflicts of interest.

Target #3: Decrease the percentage of substantiated maltreatment by out-of-home providers.
Measure #3: Percentage of children maltreated by an out-of-home provider.

Percentage of Children Maltreated by an Out-of-Home Care Provider

Year	FFY % Rate	National Rate
FFY 2005	1.10%	0
FFY 2006	1.16%	.57%
FFY 2007	1.55%	.57%

Source: Online Resources for the Children of Alaska (ORCA) data system for the National Child Abuse and Neglect Data System (NCANDS) and federal Adoption and Foster Care Analysis and Reporting System (AFCARS).

Source: Target of .57% - United States Department of Health and Human Services Administration for Children and Families, Child Maltreatment, 2004.

Analysis of results and challenges: Steady increases are believed to be an indicator that there are not enough foster homes. The pool of resources from which to make the best possible match for children needing placement and foster parents best able to meet the needs of a particular child is too small.

OCS continues to work toward improved business practices through the use of technical assistance and increased foster and child care rates to assure foster parents will not need to continue to absorb the cost of care for foster children.

Target #4: Reduce the rate of staff turnover and increase the number of workers providing direct services at any given time.

Measure #4: Annual employee turnover rate; number of positions available to provide direct services.

Office of Children's Services Vacancy /Turnover Rates & the Number of Positions Filled

Year	Vacancy Rate	Turnover Rate	Avg. # Positions Filled	Turnover Target
FY 2004	6.28%	32%	218	0
FY 2005	10.44%	38%	249	0
FY 2006	11.35%	30%	261	0
FY 2007	9.5%	33%	261	20%

This vacancy and turnover analysis is an update of past analysis and is based on the same methodology used by the Department of Administration, Division of Personnel in compiling their workforce analysis. Vacancy and turnover analyses are based on vacancies in the Children's Services Specialist I, II, and III and the Social Worker (CS) I, II, III, and IV job class series. Data is collected from the State of Alaska Payroll System. This analysis compiles complete fiscal year data.

Turnover rate represents the number of times a position becomes vacant in the Frontline Social Worker component due to an incumbent leaving the position. Reasons for leaving include, but are not limited to, resignation, separation, termination, voluntary demotion, promotion, retirement, or non-retention.

Vacancy rate represents the total number of positions vacant divided by the number of positions in the job class series. The analysis compiles data from the fiscal year and records the length of time a position is vacant so that multiple vacancies for any one position are counted.

Analysis of results and challenges: The Office of Children's Services received the final report in May 2006 for a work load study completed by Hornsby Zeller Associates, Inc. One of the recommendations was that OCS not engage in wide-scale changes to personnel that would include transferring positions from overstaffed offices to understaffed offices until such time as data regarding caseload and workload trends could be established. However, the contractor did conclude that in order to meet the workload of the state, OCS needed an additional 17 positions to handle the state's entire caseload as mandated by state and federal policy guidelines. The OCS received authorization for 6 new positions in FY 2008:

2 Community Care Licensing Specialists
3 Children's Services Specialists
1 Social Worker

No administrative staff has been added, which has caused a burden to front line staff having to pick up administrative tasks.

Work on a comprehensive plan to address retention, recruitment and selection of front line staff continues. OCS has not yet realized the kind of success needed from retention and recruitment efforts. There are a number of efforts currently underway and the plan is constantly evaluated and revised as new ideas and efforts are explored.

This measure has been enhanced by adding vacancy rates and the average number of direct service positions filled. Turnover rates, while extremely high and disruptive, do not provide a complete picture. OCS added vacancy rates as a measure of positions vacant at any given time through a year and filled positions to show that while turnover and vacancy rates remain high, progress in the number of available workers at any time has improved.

C1: Strategy - Implementation of new safety assessment model to provide front line workers with a better tool to identify safety issues in the home.

C2: Strategy - Children placed outside of the home are protected from further abuse and neglect.

C3: Strategy - Retain an effective and efficient workforce.

D: Result - Outcome Statement #4: To provide quality management of health care coverage services to providers and clients.

Target #1: Decrease average response time from receiving a claim to paying a claim.
Measure #1: Average number of days per annum from receipt of claims to payment of claims.

Operation Performance Summary-Annual Average Days /Entry Date to Claims Paid Date

Year	Medicaid Claims	Avg Days	Days Changed
FY 2000	3,720,254	10	0
FY 2001	4,409,121	12	2
FY 2002	4,959,864	12	0
FY 2003	5,615,072	10	-2
FY 2004	6,690,344	10	0
FY 2005	7,903,523	13	3
FY 2006	7,721,709	12	-1
FY 2007	7,263,956	18	6

Note: Between FY02 and FY03 reports were based on six months of data. Since FY04 reports are based on annual data. Source: MARS MR-0-08-T. No national average available.

Analysis of results and challenges: Average days to pay between FY 2006 and FY 2007 increased from 12 days to 18 days.

Three new initiatives, two in the second half of FY 2006 and the other in first quarter 2007 may provide explanations for the increase of average days. The Personal Care Program instituted a prior authorization process during the third quarter 2006. As part of this new initiative, claims became subject to prior authorization editing. Additionally, regulatory changes for certain Durable Medical Equipment (DME) high-volume supplies occurred during the second half of FY 2006. This resulted in additional claims pending for evaluation and pricing. Lastly, during the first quarter 2007, several new home and community-based waiver program edits were initiated.

Adding to the hindrance, the Department of Health and Social Services' (HSS) contractor experienced a data entry backlog as they converted from outsourced data entry services to in-house data entry. As training is completed and staff becomes more proficient, holdups are improving for the second quarter of FY 2007.

All of the above would have had impact on processing time.

Target #2: Increase the percentage of adjudicated claims paid with no provider errors.
Measure #2: Change in the percentage of adjudicated claims paid with no provider errors.

Error Distribution Analysis-Change in the percentage of adjudicated claims paid with no provider errors

Year	Medicaid Claims Pd	% No Errors	% Change
FY 2000	3,076,978	72%	0
FY 2001	3,670,331	73%	1%
FY 2002	4,202,677	74%	1%
FY 2003	4,776,730	73%	-1%
FY 2004	5,106,692	76%	3%
FY 2005	6,150,027	72%	-4%
FY 2006	6,082,318	74%	2%
FY 2007	5,606,347	72%	-2%

Chart Notes
1. Between FY01 and FY03 reports were based on six months of data. Since FY04 reports are based on annual data.
2. This measure was updated annually through FY 2005; beginning with FY 2006, it is being updated quarterly.
3. Source: MARS MR-0-11-T.

Analysis of results and challenges: Error distribution analysis is designed to capture the percentage of adjudicated claims paid with no provider errors. To ensure correct claim submission from providers, Health Care Services works with providers to resolve problem areas and to get claims paid. First Health, Medicaid's fiscal agent, provides training to providers on billing procedures, publishes billing manuals, and has a website for

providers with information tailored to each provider type.

During FY2006, the Department of Health and Social Services (HSS) had two major initiatives that impacted pharmacy: Pharmacy Cost Avoidance and Medicare Part D.

Prior to Pharmacy Cost Avoidance, HSS, as the State Medicaid Agency, paid the pharmacy claims for recipients who had insurance primary to Medicaid and then attempted to recover the costs from liable third parties. The Pharmacy Cost Avoidance initiative changed this practice and therefore the number of claims denied because of other insurance coverage is significant.

Additionally, Medicare Part D required HSS to deny pharmacy claims for Medicare-covered drugs for those recipients of both Medicaid and Medicare. Previously, Medicaid paid for this same population. This results in a significant denial of claims.

These major changes to the Pharmacy program were surely noteworthy enough to result in the decrease of claims paid, and as such, claims paid without error.

Target #3: Reduce the rate of Medicaid payment errors.
Measure #3: Improper payment estimates as provided to Center for Medicare and Medicaid Services.

Analysis of results and challenges: The Improper Payments Information Act of 2002 (Public Law 107-300) requires Federal agencies to annually review and identify those programs and activities that may be susceptible to significant erroneous payments, estimate the amount of improper payments and report those estimates to the Congress, and if necessary, submit a report on actions the agency is taking to reduce erroneous payments. The effect of this rule is that states are now to be required to produce improper payment estimates for their Medicaid and SCHIP programs and to identify existing and emerging vulnerabilities.

The PERM program commenced nationally on July 1, 2005 with Phase I and one-third of the states participated. Alaska is a year 3 state and will be required to participate during calendar year 2007. There will be an impact on the resources in each division managing Medicaid Services to assist the PERM staff with access to policies, procedures and data. Division staff may be called upon to assist in the interpretation of medical records pertaining to claims associated with services that division manages. The PERM process includes expectations for corrective actions. Divisions will need resources to implement corrective actions resulting from PERM findings.

D1: Strategy - Continue to develop new Medicaid Management Information System (MMIS).

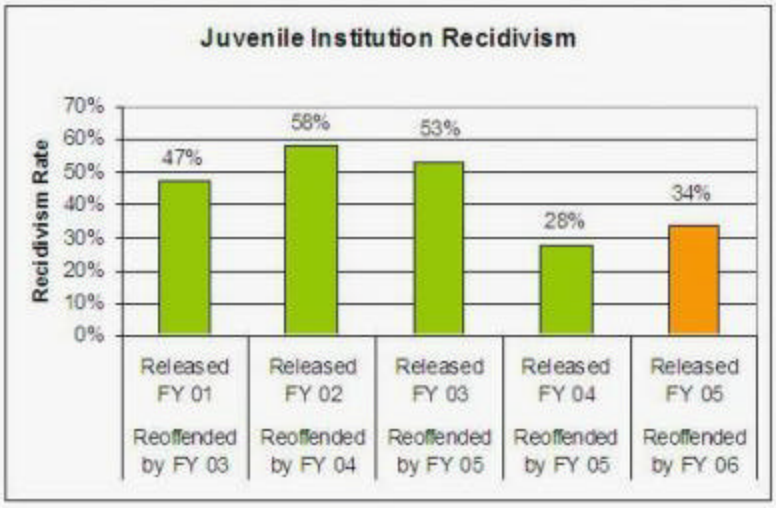
E: Result - Outcome Statement #5: Improve juvenile offenders' success in the community following completion of services resulting in higher levels of accountability and public safety.

Target #1: Reduce percentage of juveniles who reoffend following release from institutional treatment facilities to less than 33%.

Measure #1: Percentage change in reoffense rate following release from institutional treatment.

Facility	Number released in FY 05	Number of reoffenders 12 months after release	Percentage of offenders who reoffended
Bethel Youth Facility	9	4	44%
Fairbanks Youth Facility	18	8	44%
Johnson Youth Center	10	3	30%
McLaughlin Youth Center	66	20	30%
Total	**103**	**35**	**34%**

Race	Number released in FY 05	Number of reoffenders 12 months after release	Percentage of offenders who reoffended
Caucasian	39	12	31%
African American	4	1	25%
Native Alaskan/American Indian	37	16	43%
Asian	3	1	33%
Pacific Islander	1	0	0%
Multiple Races	18	5	28%
Other	1	0	0%
Total	**103**	**35**	**34%**



Analysis of results and challenges: The recidivism rate for juveniles released from Alaska's secure treatment institutions was increased slightly this year. The increase may not be significant; the small number of youth released from these institutions each year make it difficult to determine whether changes in the recidivism rate from year to year are part of a trend or an anomaly. The change in recidivism rate for this population also may be due to the fact that, for the first time, this information was gathered and analyzed at the division director's office using the statewide Juvenile Offender Management Information System (JOMIS) instead of being submitted by individual facilities. Researching this measure at the statewide level ensured consistent application of the

definitions that determine whether juveniles should be included in this measure, and whether or not they had committed reoffenses.

This measure examines recidivism only for youth who have been committed to and released from one of the division's four juvenile treatment facilities. These youth typically have the most intensive needs and are the states more chronic and serious juvenile offenders compared with youth who receive only probation supervision. Recidivism rates for these two populations are considered separately because of the distinctively different levels of risk and need presented, and the different types of interventions and programming received.

Recidivism among juveniles released in FY 04 and FY 05 is defined as reoffenses that occurred within a 12-month window. For youth released prior to these years, recidivism had to occur within 24 months. This change likely explains the demonstrated drop in recidivism for youth released in FY 04 and FY 05 compared with youth released in prior years; youth released later had a smaller window of time in which to reoffend. This change was made to better align Alaska's reporting of recidivism with the national norm of reporting recidivism on a 12-month basis. (Sixteen of the 32 states that track recidivism do so on a 12-month basis.) Among those states that measure recidivism based on a 12-month follow-up period, and that consider offenses "recidivism" if they result in a conviction or adjudication in the juvenile or adult systems (8 states, including Alaska), the average recidivism rate was 33%. Alaska, at a 34% rate, closely reflects this average. (Source: Juvenile Offenders and Victims: 2006 National Report, National Center for Juvenile Justice, Pittsburgh, 2006, page 234.)

Reoffenses, like the original offenses that brought the juveniles to the division's attention, may be felonies, misdemeanors, drug offenses, weapons crimes, crimes against persons, crimes against property, and other state crimes. Often these crimes are committed while the juvenile is under the influence of alcohol or other drugs, or in the context of domestic violence. The division has adopted assessment tools, both for juveniles and the facilities that house them, that work with juveniles to address the root causes of their law-breaking behavior, and will continue to review institutional treatment components and research-based practices as it seeks to improve its outcomes for youths leaving institutions.

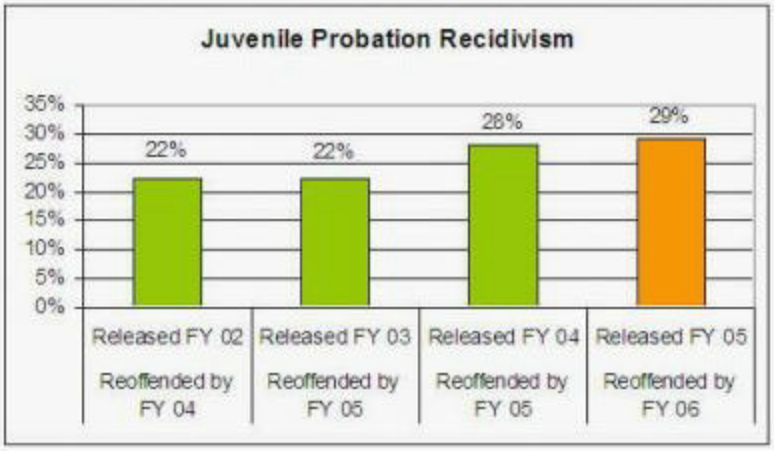
Note: Reoffenses by juveniles released from Alaska's treatment institutions are determined through analysis of entries in the Division of Juvenile Justice's database and the Alaska Public Safety Information Network. Juveniles are included in this measure if the reason for their release from the treatment facility is marked in JOMIS as "Completion of Treatment," "Sentence Served," Court-Ordered Release," "Transfer to a Non-DJJ Facility," "Order Expired," or "Transfer (Transitional Services Step Down)." Reoffenses are defined as: any offenses that occurred within 12 months of release and that resulted in a new juvenile adjudication or adult conviction, or a probation violation resulting in a new institutionalization order, by August 1, 2007. Adjudications and convictions for motor vehicle, Fish and Game, non-habitual Minor in Possession/Consuming Alcohol, and misdemeanor-level Driving While Intoxicated offenses are excluded. Adjudication and convictions received outside Alaska also are excluded from analysis.

Target #2: Reduce percentage of juveniles who reoffend following completion of formal court-ordered probation supervision to less than 33%.

Measure #2: Percentage change in re-offense rate following completion of formal court-ordered probation supervision.

Region	Number of offenders released from formal probation in FY 05	Number of reoffenders 12 months after release	Percentage of offenders who reoffended
Anchorage	99	27	27%
Northern Region	107	34	32%
Southcentral Region	80	22	28%
Southeast Region	42	12	29%
Total	**328**	**95**	**29%**

Race	Number released from formal probation in FY 05	Number of Reoffenders 12 months after release	Percentage of offenders who reoffended
Asian	11	3	27%
African-American	13	4	31%
Multi-race	36	5	14%
Alaska Native/American Indian	130	47	36%
Pacific Islander	5	2	40%
Other	2	1	50%
Caucasian	131	33	25%
Total	**328**	**95**	**29%**



Analysis of results and challenges: The defined recidivism rate for this population was 29%, a small and likely insignificant increase compared with the previous year's rate.

FY 07 was the second year that recidivism was defined as a reoffense that occurred within 12 months from the time offenders were released from formal probation. In years prior to FY 06, reoffenses were counted if they occurred within 24 months of release from formal probation. The change to a 12-month window was made to better align Alaska with other states' definitions of recidivism. This measure also was changed to better correlate with the institutional recidivism measure (as well as national recidivism statistics) in that an offense needed to result in a new adjudication in the juvenile system or a conviction in the adult system to be counted as a reoffense (previously, only referrals to the juvenile system were counted as reoffenses). The increase in recidivism among the population of youth released from formal probation in FY 04 and FY 05 is likely due to the inclusion of offenses occurring within the adult system. Inclusion of adult offenses is a more accurate measure of the activity of offenders once they are released from juvenile probation.

This measure examines reoffense rates for juveniles who received probation supervision while either remaining at home or in a nonsecure custodial placement. These youths typically have committed less serious offenses and

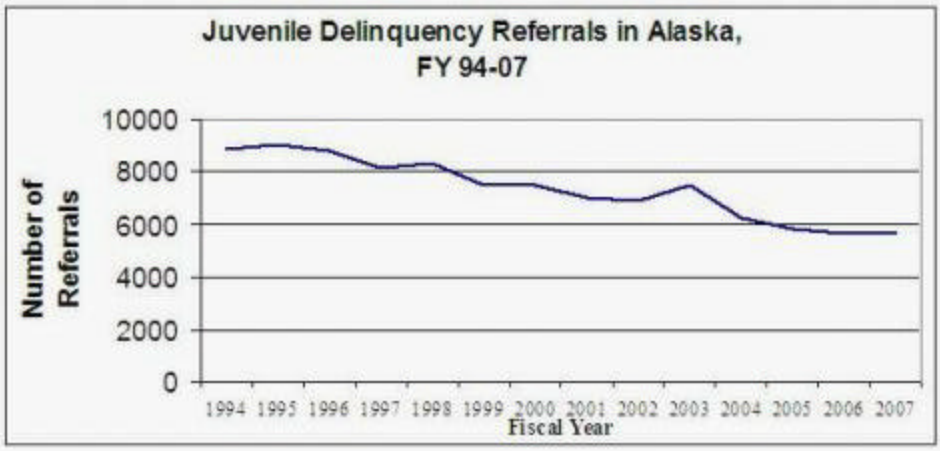
have demonstrated less chronic criminal behavior than youth who have been institutionalized. (Recidivism rates for institutionalized youth are analyzed in a separate performance measure, above, and are considered separately because of the distinctively different levels of risk and need presented, and the different types of interventions and programming received.)

Sixteen of the 32 states reported to track recidivism do so on a 12-month basis. Among those states that measure recidivism based on a 12-month follow-up period, and that consider offenses "recidivism" if they result in a conviction or adjudication in the juvenile or adult systems (eight states), the average recidivism rate was 33%. Alaska, at a 29% rate for its probation population, compares favorably with this average. (Source: Juvenile Offenders and Victims: 2006 National Report, National Center for Juvenile Justice, Pittsburgh, 2006, page 234.)

Reoffenses, like the original offenses that brought the juveniles to the Division's attention, may be felonies, misdemeanors, drug offenses, weapons crimes, crimes against persons, crimes against property, and other state crimes. Often these crimes are committed while the juvenile is under the influence of alcohol or other drugs, or in the context of domestic violence. The Division has adopted a new risk and needs assessment tool to better work with juveniles to address the root causes of their law-breaking behavior, and will continue to review and incorporate research-based practices as it seeks to improve its outcomes for youth on probation supervision.

Note: Reoffenses for juveniles released from formal probation are determined by checking for entries in the Division's Juvenile Offender Management Information System and the Alaska Public Safety Information Network. This table reports the number of youth for whom court-ordered probation episodes closed during the fiscal year for one of the following reasons: Completed Successfully, Order Expired, Non-compliant Closed, Waived to Adult Status, Declared Incompetent, or Deceased. Youth whose formal probation ends because of Court Termination Resulting in a new Supervision, Modified, Revoked, or Supervision Transfer are not included. Youth also are not included who have been reassigned to a formal probation order (with or without custody) within seven days of release, as this typically reflects a modification of probation status or custodial placement rather than true completion of supervision. This analysis also excludes youth who were ordered to an Alaska treatment institution anytime prior to their supervision end date, as these youth are included in the analysis for our institutional recidivism performance measure, above. Adjudications and convictions for Motor Vehicle, Fish and Game, non-habitual violations of Minor in Possession/Consuming Alcohol, and misdemeanor-level Driving While Intoxicated offenses are excluded. Adjudications and convictions received outside Alaska are excluded from analysis. To be counted as recidivists, youth must have committed an offense within 12 months of their probation end date in FY 05, and the offense must have resulted in an adult conviction or new juvenile adjudication by August 1, 2007.

Target #3: Alaska's juvenile crime rate will be reduced by 5% over a two-year period.
Measure #3: Percentage change of Alaska juvenile crime rate compared to the rate one and two years earlier.



Target Fiscal Year	2004		2005		2006		2007	
Number of Referrals per 100,000 population aged 10-17	6893		6512		6345		6490	
Comparison Year	2002	2003	2003	2004	2004	2005	2005	2006
Percentage Increase (or Decrease) between Target Year and Comparison Year	(10.5%)	(16.7%)	(21.3%)	(5.5%)	(8.0%)	(2.6%)	(0.3%)	2.3%

Region	Office	Juveniles	Percent of State	Referrals	Percent of State	Charges	Percent of State
Anch.	Anchorage	1,537	40%	2,200	39%	3,532	36%
NRO	Barrow	128	3%	230	4%	318	3%
	Bethel	202	5%	290	5%	602	6%
	Fairbanks	428	11%	592	10%	1026	10%
	Kotzebue	86	2%	136	2%	245	2%
	Nome	126	3%	242	4%	452	5%
	NRO Total	970	25%	1,490	26%	2,643	27%
SCRO	Dillingham	66	2%	91	2%	147	1%
	Homer	45	1%	61	1%	82	1%
	Kenai	286	7%	384	7%	695	7%
	Kodiak	95	2%	160	3%	241	2%
	Mat-Su	368	9%	467	8%	900	9%
	Valdez	54	1%	81	1%	179	2%
	SCRO Total	914	24%	1244	22%	2244	23%

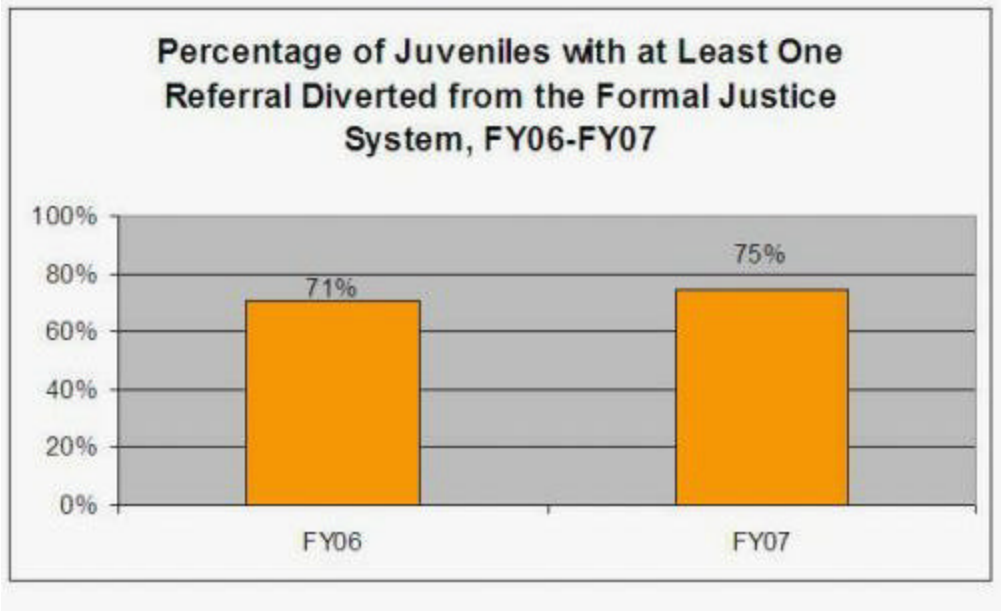
Analysis of results and challenges: The number of referrals and the percentage of these referrals per 100,000 juvenile population were virtually unchanged in FY07 compared with FY06, with a slight but insignificant increase in both measures noted. Definitive reasons for changes in referral levels are unknown, although possible causes could include changes in economic conditions, changes in prevention and intervention techniques, changes in law enforcement practices or resources, or a combination of some or all of these.

Note: Population data for youth aged 10-17 during the years 2003-2006 is provided by the Alaska Department of

Labor and Workforce Development. The population estimate for the year 2007 was derived from the report Alaska Population Projections 2007-2030, published by the Alaska Department of Labor and Workforce Development (page 23). Juvenile referral data was extracted from the Division of Juvenile Justice's Juvenile Offender Management Information System (JOMIS) database on August 10, 2007 and includes referrals for youth who are under 10 years old (these referrals make up less than 1% of the total). This data is continually refined and corrected and numbers in future reports may change slightly.

Target #4: Divert at least 70% of youth referred to the Division away from formal court processes as appropriate given their risks, needs, and the seriousness of their offenses.

Measure #4: The percentage of referrals that are managed through informal processes.



Analysis of results and challenges: In FY 07 the proportion of juveniles with at least one referral (a report from law enforcement alleging a juvenile perpetrator) who were diverted from the formal court process remained high, at 75%. This means that 2,891 of the 3,876 juveniles referred in FY 07 had one of those cases managed through non-court adjustments, informal probation, referral to community panels such as youth court, or were dismissed. The percentage increased compared with FY 06 results, but because this is only the second time the Division has considered this measure, the improvement may be due to refinements in our record-keeping, data-gathering, and analysis.

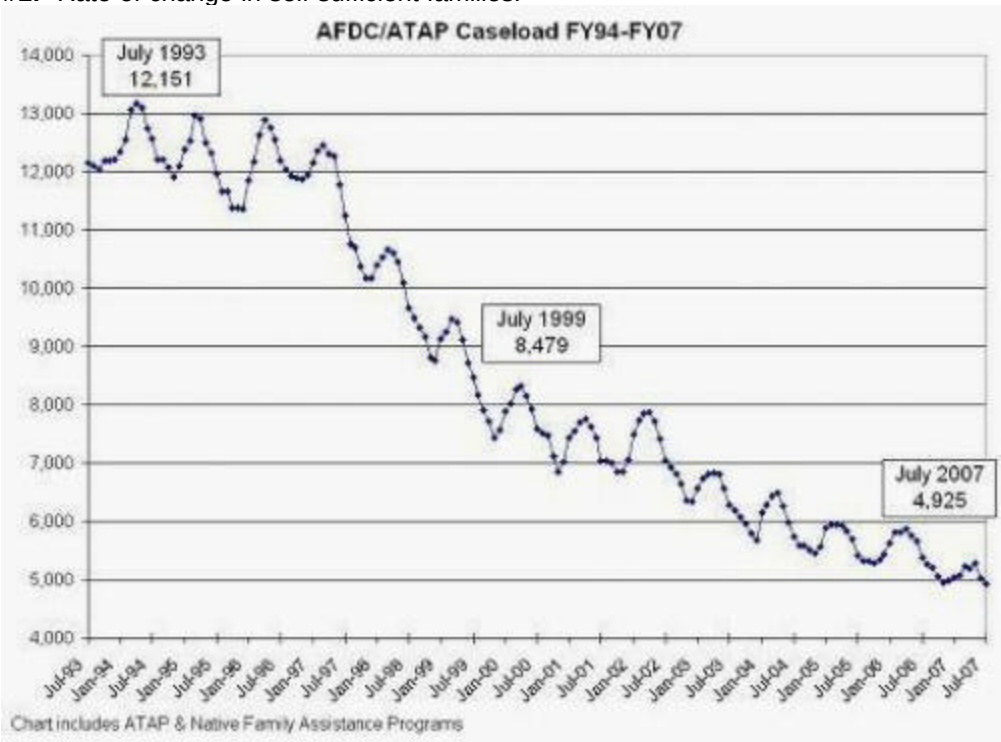
Diversion of youth from formal court processing serves a number of important, valuable purposes. It helps low-risk juveniles who are unlikely to re-offend avoid the stigma and needless harm that can result from delinquency adjudication. Diversion can provide opportunities for community partners and victims to take more active roles in handling low-risk juvenile offenders. Diversion processes reduce burdens on the court system, who otherwise would find it impossible to adjudicate every offender referred to them. Diversion also is considerably less expensive and faster than the formal adversarial process. Diversion processes reduce probation caseloads as well, enabling the division to better allocate resources and staff time to more serious offenders.

Note: For this measure, youth are considered to have been diverted away from the formal court system if the intake decision for their delinquency referrals resulted in at least one referral being adjusted, dismissed, placed on informal probation, or forwarded to a community justice panel such as youth court. Referrals that are screened and referred elsewhere, such as back to law enforcement for further information, and those that were still in process at the time this data was collected are excluded from consideration. This data is continually refined and corrected and numbers in future reports may change slightly.

E1: Strategy - Implement and review information from research-based assessment tools, and incorporate practices proven to reduce recidivism and criminal behavior among youth.

F: Result - Outcome Statement #6: Low income families and individuals become economically self-sufficient.

Target #1: Increase self-sufficient individuals and families by 10% annually.
Measure #1: Rate of change in self-sufficient families.



Changes in Self Sufficiency

Year	September	December	March	June	YTD
FY 2002	-16%	6%	4%	3%	-2%
FY 2003	-1%	-11%	-14%	-13%	-9%
FY 2004	-12%	-7%	-6%	-9%	-9%
FY 2005	-6%	-7%	-8%	-6%	-7%
FY 2006	-6%	-3%	-4%	-1%	-2%
FY 2007	-2%	-8%	-10%	-10%	-7%
FY 2008	-7%	0 0%	0 0%	0 0%	0 0%

**YTD Total column represents the average annual monthly caseload rate change.*

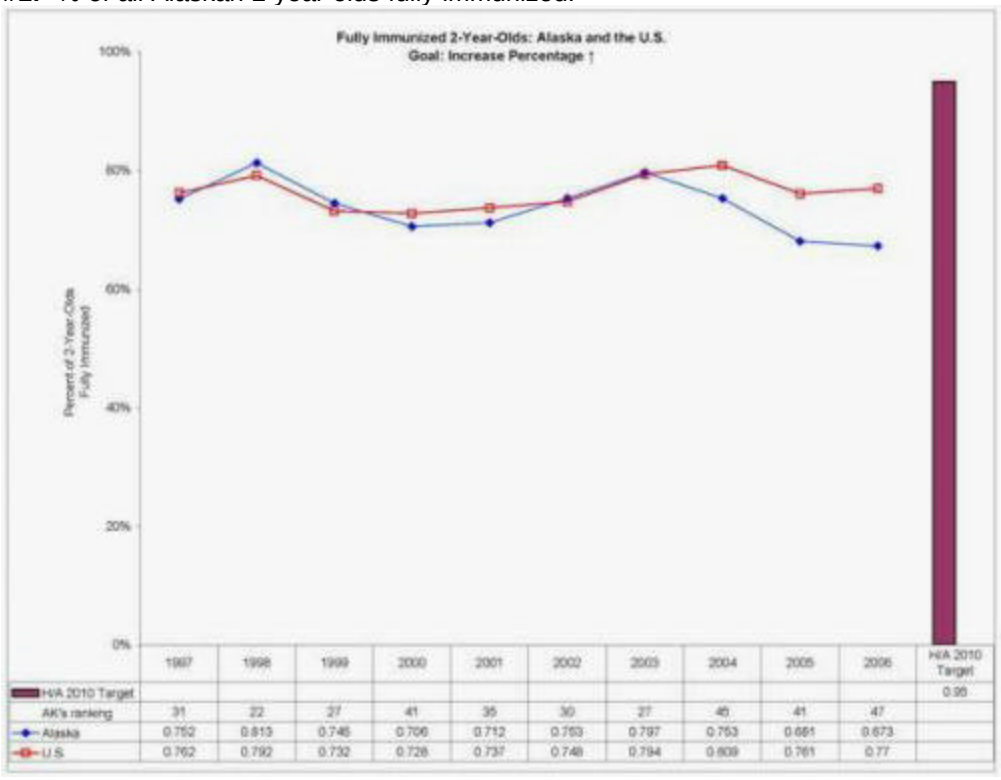
Analysis of results and challenges: As shown in the YTD Total column, FY2007 had a 7% decline in the number of families receiving Alaska Temporary Assistance Program benefits compared to FY2006. The other four columns show a snapshot of caseload rate change compared to the previous year's month. (Note: The YTD Total column represents the average annual monthly caseload rate change.)

The goal is for clients to move off of Temporary Assistance with more income than they received while on the program, and for those clients to stay employed with sufficient earnings to stay off the program. As the caseload declines, those adults with more significant barriers to employment make up a higher percentage of the caseload. Therefore, with a declining caseload, it becomes more difficult to achieve higher percentages of families becoming self-sufficient.

F1: Strategy - Use TANF high performance bonus funds for families approaching 60-month time limit.

G: Result - Outcome Statement #7: Healthy people in healthy communities.

Target #1: 80% of all 2 year olds are fully immunized.
Measure #1: % of all Alaskan 2 year olds fully immunized.



Vaccination Coverage Among Children 19-35 Months of Age, Alaska and US

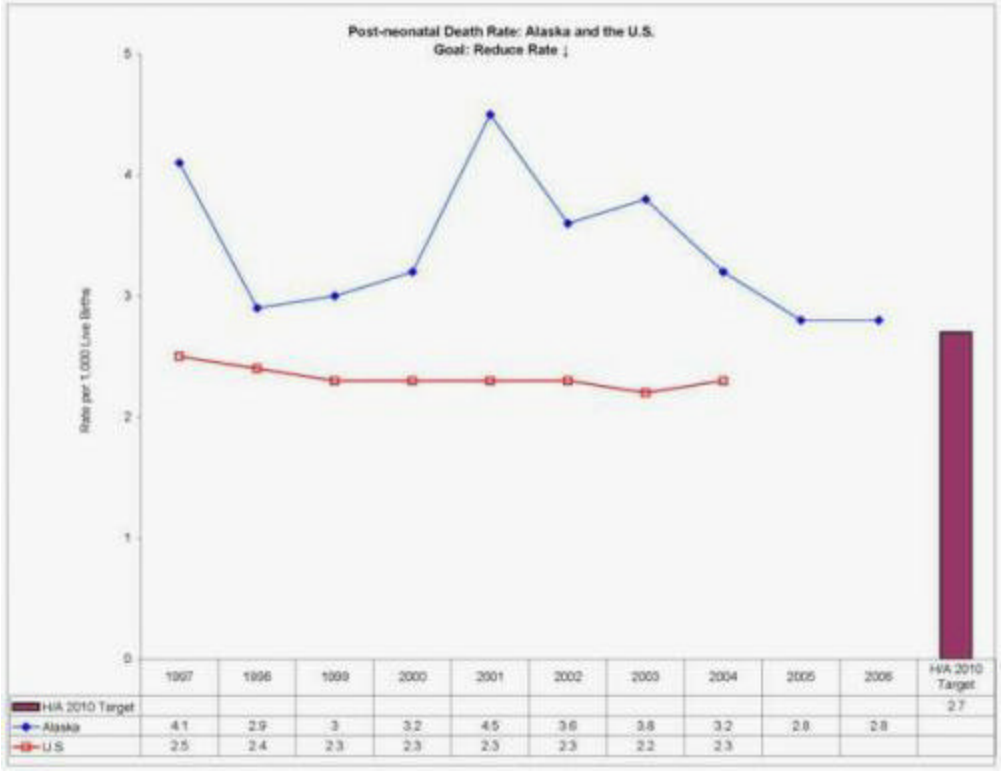
Year	US %	Alaska %	AK US Rank
1999	73.2	74.5	27
2000	72.8	70.6	41
2001	73.7	71.2	35
2002	74.8	75.3	30
2003	79.4	79.7	27
2004	80.9	75.3	45
2005	76.1	68.1*	41
2006	77.0	67.3*	47

In 2005, CDC began using a new six-dose standard for its recommended basic immunization series.

Analysis of results and challenges: Chart Note: Source - National Immunization Survey, Centers for Disease Control and Prevention. Annual percentages are based on CDC recommendations at the time, which have changed over the years as vaccines have been added to the "basic immunization series."

* In 2005, the CDC increased its recommendation to a new, six-dose series of vaccinations. As a result, the national rate of fully immunized two year olds dropped considerably, as did Alaska's rate. These results continue to illustrate the need for renewed emphasis on the importance of timely immunizations for young children.

Target #2: Reduce post-neonatal death rate to 2.7 per 1,000 live births by 2010.
Measure #2: Three year average post-neonatal mortality rate (Post-neonatal is defined as 28 days to 1 year).



Post-Neonatal Death Rate - AK and US

Year	Alaska	US
1999	3.0	2.3
2000	3.2	2.3
2001	4.5	2.3
2002	3.6	2.3
2003	3.8	2.2
2004	3.2	2.3
2005	2.8	N/A
2006	2.8	N/A

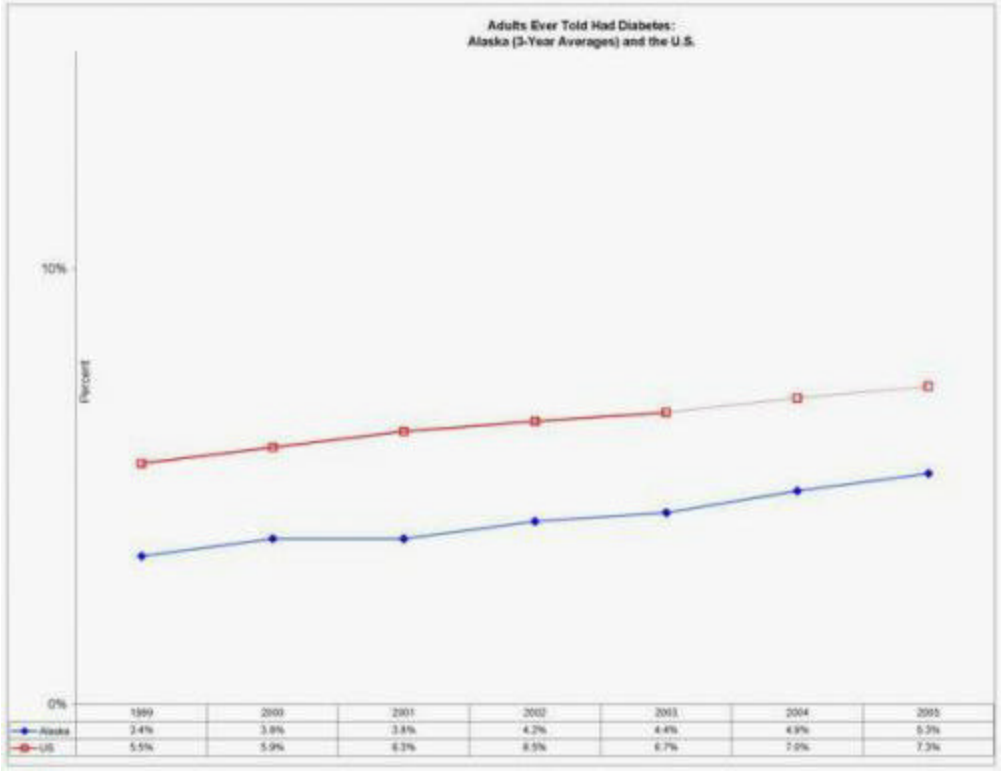
Note: The National Center for Health Statistics has not yet released US death rates for 2005 and 2006.

Analysis of results and challenges: Chart Note: Rate per 1,000 Live Births and reflects three-year rate, i.e. 2006 represents 2004-2006.

Post-neonatal mortality is more often caused by environmental conditions than problems with pregnancy and childbirth. Nationally, the leading causes of death during the post-neonatal period (28 through 364 days) during 2002 were Sudden Infant Death Syndrome (SIDS), birth defects, and unintentional injuries. The post-neonatal mortality rate in Alaska is higher than the national target of 1.5 per 1,000 live births (Healthy People 2010) and has remained relatively static over time. While not shown graphically, over the last decade Alaska Native infants were 2.3 times more likely to die during the post-neonatal period than Caucasian infants.

Work by DHSS is underway with the Indian Health Service on a rural initiative to prevent Sudden Infant Death Syndrome (SIDS). Also, cessation efforts involving tobacco, alcohol and other drugs are being targeted on the pre-conception and prenatal periods. Finally, work has begun with health providers and community partners to establish a model program of early prevention and chronic disease management for prenatal patients.

Target #3: Decrease diabetes in Alaskans.
Measure #3: Prevalence of Diabetes among Adults (18+) in Alaska based upon three-year averages.



Est. Annual Prevalence of Diabetes among Adults (18+) in Alaska Based upon Midpoints of Three-Year Averages

Year	Alaska	US
1999	3.4%	5.6%
2000	3.8%	6.1%
2001	3.8%	6.5%
2002	4.2%	6.7%
2003	4.4%	7.2%
2004	4.9%	7.0%
2005	5.3%	7.3%

Note: 2005 Alaska data is based on a 3-year average of 2004-2006.

Analysis of results and challenges: Data Source: BRFSS - Behavioral Risk Factor Surveillance System

Diabetes is a chronic disease characterized by high levels of blood glucose. Type 2 diabetes accounts for 90 to 95 percent of all diagnosed cases and typically occurs in adults, but is increasingly being diagnosed in children and adolescents. Type 2 diabetes usually begins as insulin resistance, a condition in which the cells do not use insulin properly. Risk factors for Type 2 diabetes include older age (40-plus years), obesity, family history of diabetes, prior history of gestational diabetes, impaired glucose metabolism, physical inactivity, and race/ethnicity.

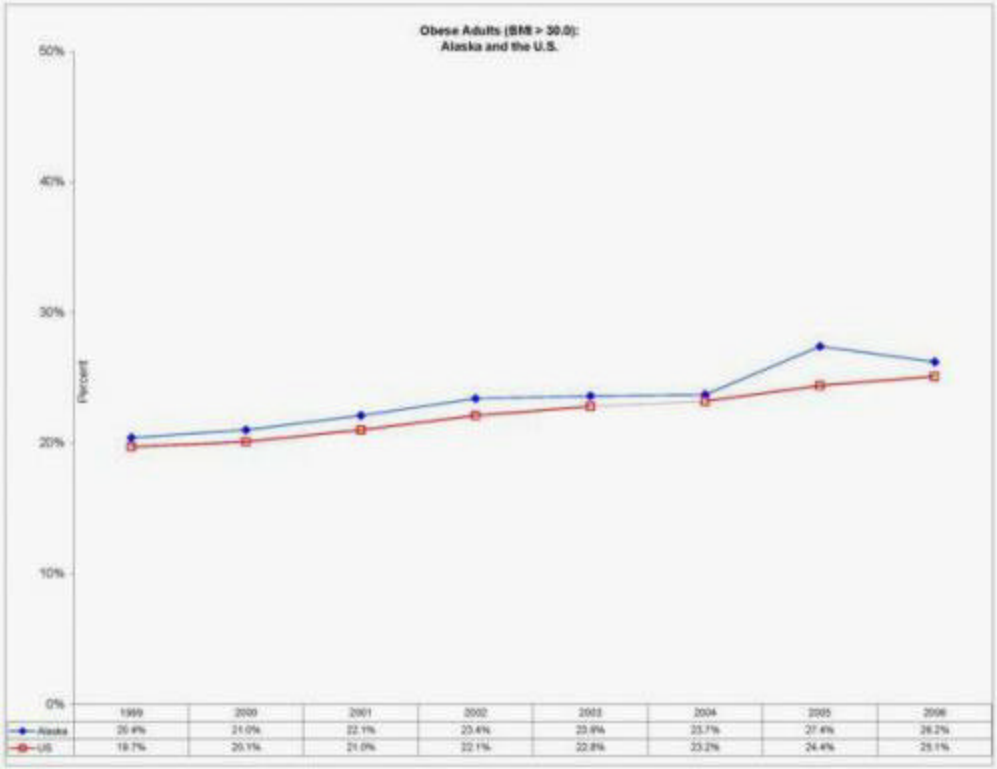
Diabetes is the leading cause of blindness and end-stage renal disease in adults. Diabetes increases the risk of heart disease, stroke, and many infectious diseases. Nerve damage from diabetes is the leading cause of lower extremity amputations. Diabetes prevalence increases with age, and the prevalence of diabetes in the United States is expected to increase as the population ages.

Over the past decade, an increasing number of Alaskan adults have reported being told by a health professional that they have diabetes. This number, plus the estimated 29% of all diabetes cases that go undiagnosed, yields the best estimate of the true prevalence of diabetes in Alaska. One limitation of this estimate is that, with

improving surveillance and detection, prevalence will continue to increase independent of any real increase in morbidity.

The department works to reduce the health burden and economic costs of diabetes in Alaska through an integrated program of prevention and disease management that supports our community partners. To slow or halt the upward trend of diabetes, a comprehensive approach is needed to make healthy behaviors the norm. The major risk factors contributing to chronic diseases are tobacco use, physical inactivity, unhealthy eating habits and resulting obesity. The department will address all of these factors by providing the knowledge and tools needed to make healthier choices, while also assuring that healthy behaviors are reinforced in schools, worksites and other community settings.

Target #4: Decrease Alaska's adult obesity rate to less than 18%.
Measure #4: Obesity rate of Alaskans.



Prevalence of Obesity: Alaska & US

Year	Alaska	US
1999	20.4%	19.7%
2000	21.0%	20.1%
2001	22.1%	21%
2002	23.4%	22.1%
2003	23.6%	22.8%
2004	23.7%	23.2%
2005	27.4%	24.4%
2006	26.2%	25.1%

Analysis of results and challenges: Analysis of results and challenges: The trends in Alaska continue to show growing numbers of overweight and obese adults, with an obesity rate of 26.2% in 2006. By comparison, the Healthy Alaskans 2010 target for obesity is 18%.

Premature death and disability, increased heath care costs, and lost productivity are all associated with overweight and obesity. Unhealthy dietary habits combined with sedentary behavior are primary factors in increasing body fat levels. Overweight and obesity are estimated to be responsible for approximately 300,000

deaths per year in the United States.

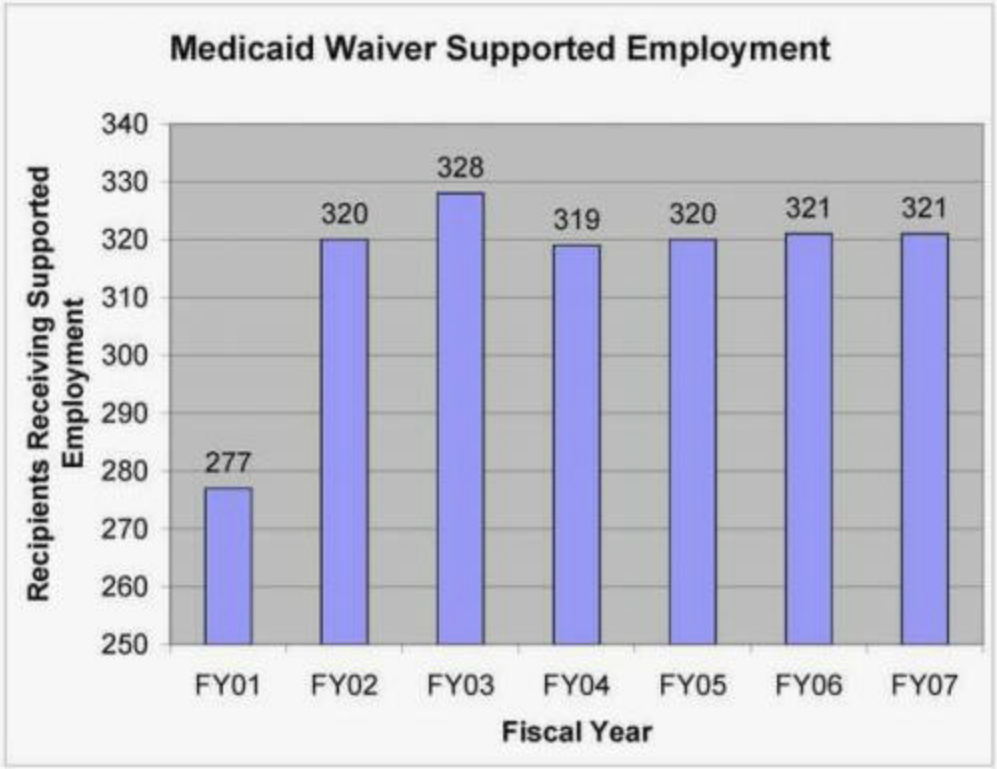
National studies show an association of overweight and obesity with certain types of cancers (endometrial, colon, post menopausal breast, and prostate), as well as heart disease, stroke, diabetes and arthritis. Overweight and obesity are directly associated with at least four of the top ten leading causes of death. Mortality due to unintentional injury, suicide, chronic obstructive pulmonary disease (COPD), pneumonia, and liver disease may also be influenced by obesity to some extent.

Through educational, programmatic, policy and environmental strategies, the department works to reduce the percentage of Alaskans classified as overweight, obese or at-risk for being overweight, and to promote healthy food choices and exercise. A comprehensive approach is needed to reduce the trend of increasing obesity in Alaska. Along with tobacco use, physical inactivity and unhealthy eating habits, obesity contributes greatly to the prevalence of chronic disease. The department is working to address all of these factors by giving individuals the knowledge and tools they need to make healthier choices, targeting the promotion of healthy behaviors in communities - the workplace, schools and other settings.

G1: Strategy - Strengthen public health in strategic areas.

H: Result - Outcome Statement #8: Senior and physically and/or developmentally disabled Alaskans live independently as long as possible.

Target #1: Increase the number of DD waiver recipients receiving Supported Employment Services.
Measure #1: % change of beneficiaries receiving supported employment services under Developmental Disabilities Waiver.



% Change in Recipients Receiving Supported Employment

Year	% Change
FY 2002	15.5%
FY 2003	2.5%
FY 2004	-2.7%
FY 2005	0.3%
FY 2006	0.3%
FY 2007	0.0%

Analysis of results and challenges: Supported Employment Services is one of the best resources available to developmentally disabled beneficiaries to help them live independently by providing them with the opportunity to work. The Division of Senior and Disabilities Services has determined that the reason the number of DD waiver beneficiaries receiving supported employment has reached a plateau in recent years is because only the highest-functioning clients without behavioral issues can be easily employed. In FY07 and beyond, the division will be working with the Governor's Council on Disabilities and Special Education to increase participation in supported employment as outlined in the Alaska Works Initiative 2006-2010 Strategic Plan.

H1: Strategy - Promote independent living and provide preadmission screening to nursing homes.

I: Result - Outcome Statement #9: The efficient and effective delivery of administrative services.

Target #1: Reduce the average response time for complaints/inquiries to 14 days.
Measure #1: Department Inquiry/Complaint "HSS Track" log response times.

# of Inquiries/Complaints

Year	Opened	Closed	Avg Days to Close
FY 2005	552	503	15.18
FY 2006	1590	1408	25.78
FY 2007	1495	1224	24.52

Analysis of results and challenges: The response log "HSS Track" includes all inquiries or complaints that are received by the DHSS Commissioner's Office (i.e., public or legislative complaints, legislative questions, press inquires, etc.).

The increase in the inquiries/complaints opened in FY06 is attributed to the fact that in FY05 only a limited number of sections in the department were utilizing the log. In FY06, the Office of Children's Services was added to the HSS Track. This greatly increased the number and complexity involved to close out inquiries.

The response log "HSS Track" will be monitored by the Commissioner's Office.

Target #2: Reduce by 5% per year processing time for key indicators.
Measure #2: Track number of days it takes to process: Purchase Requisitions; Operating Grant Awards; Processing Time for Payments; Capital Grant Awards; and Legislative inquiries.

Timeliness and Accuracy

	Fiscal Year 2006	
	# Processed	Days to Process
Purchase Requisitions	507	7.00
Operating Grant Awards	610	19.12
DHSS Invoices	158,281	9.33
Capital Grant Awards	93	3.36
Legislative Logs	172	3.52

Timeliness and Accuracy

	Fiscal Year 2007	
	# Processed	Days to Process
Purchase Requisitions	459	5.80
Operating Grant Awards	628	20.97
DHSS Invoices	94,050	9.17
Capital Grant Awards	101	1.50
Legislative Logs	191	4.16

Analysis of results and challenges: This is a new indicator with new data for FY2006. The data will develop a baseline for future comparisons.

In FY07, the number of requests increased in several of the categories, resulting in an overall increase to the average response time. Although there was increased processing time and increased number of requests, the sections remained under the standard response time in FY07.

Key Department Challenges

The Department of Health and Social Services continues to make progress on the following overall strategies:

1. Work toward more integration of services;
2. Maximize resources for effective service delivery;
3. Promote rural infrastructure development and standardization of regional structure;
4. Promote accountability at all levels of the organization; and
5. Use technology in strategic ways to accomplish the department's goals.

- Development of in-state residential and community based treatment options for children and youth with an emphasis on minimizing the number and duration of out of state placements, in a project named Bring the Kids Home. Challenges include:
  - Revision of the system of care while continuing to provide services
  - Implementation of a home and community-based waiver program for Severely Emotionally Disturbed Children diagnosed with Fetal Alcohol Spectrum Disorder

- Medicaid challenges include:
  - Maximization of Medicaid refinancing opportunities, implementation of legislation passed in 2006 including Medicaid Adult Dental program and reforms to Medicaid and child protection programs;

implementation of legislation passed in 2007 for increasing eligibility for Denali KidCare.
- Development of the Medicaid Management Information System to more effectively use new technology to manage health care in Alaska.
- Development of new comprehensive Medicaid regulations (these may be filed in the spring of 2008) which will clarify coverage and payment rules for the program and will provide for greater accountability for both the department and health care providers.
- Continuation of cost containment of the Medicaid Waiver and Personal Care Attendant programs.

- Preparation and planning with federal, state, and community partners for a potential influenza pandemic.

- Development and implementation of a department wide Quality Management Program through the Commissioner's Office that incorporates the elements of Program Integrity (fraud detection and audit, with particular emphasis on the Payment Error Rate Measurement project), Quality Assurance (internal controls), and Quality Enhancement (corrective action).

- Construction of a new virology lab in Fairbanks.

- Identification and implementation of potential solutions to the lack of access to affordable quality health care for Alaskans.

- Promotion of services that focus on enhancing health and well-being and preventing illness through development of a comprehensive state policy that includes reduction of alcohol and substance abuse.

- Improvements to child abuse prevention and protection efforts, particularly with Alaska Native partner agencies.

- Continuation of development of new regulations to implement statutory revisions to the department's various licensing functions including fine-tuning requirements relating to employment of persons with criminal histories.

- Identification and resolution of issues relating to the recruitment and retention of qualified employees to allow the department to fulfill its ongoing mission in a time of national and state workforce shortages.

- Replacement of approximately $16 million in federal funds DHSS had anticipated receiving for FY08 that will be lost due to a decision by the Centers for Medicare and Medicaid Services that the Private Hospital Proportionate Share Program (ProShare) must be discontinued.

- Identification and implementation of appropriate increases to reimbursement rates for health and social service providers based on results of comprehensive analysis conducted by external contractor.

- Identification and implementation of potential changes to statutes, regulations and/or policies to improve the Certificate of Need program so that it functions as an effective tool to help ensure that affordable quality health care is accessible to all Alaskans.

Significant Changes in Results to be Delivered in FY2009

Maintain Services: Many DHSS programs costs are based on caseload, mandated cost increases, or cost increases that are unavoidable. Without additional investment, the department would not be able to maintain services. Investments to maintain services include the need to:

- Establish the budget for the Senior Benefits program as outlined by Ch. 1, FSSLA 2007 (SB4);
- Replace federal funds from a reduced Medicaid Federal Medicaid Assistance Percentage (FMAP) rate (drops from 52.48% to 50.53%);
- Increase rates paid to providers for a variety of programs, based on recommendations from the Comprehensive Rate Increase analysis;
- Maintain the Denali KidCare program despite reduced federal allotments for State Child Health Insurance Program (SCHIP);
- Maintain grant levels to providers impacted by the elimination of Private ProShare due to adverse federal decision;
- Maintain Medicaid services to vulnerable Alaskans despite program and caseload growth;
- Ensure safety and security in Juvenile facilities by implementing phase two of necessary funding enhancements;

- Sustain and support behavioral health treatment services;
- Support secure detoxification and treatment for involuntary substance abuse commitments;
- Ensure appropriate funding for the new Fairbanks Virology Lab;
- Maintain Child Advocacy Centers services by replacing declining federal funds with state support;
- Enhance funding for the Aging and Disability Resource Centers (ADRC);
- Maintain ability to lease space and train staff for Office of Children's Services;
- Sustain services for Public Health Nursing grant program;
- Enhance funding for behavioral health prior authorization and accreditation contracts to ensure appropriate service delivery.

Increase Prevention Services: Investing resources in prevention activities is expected to improve the health and well being of Alaskans by improving outcome measures in several areas. Investments in prevention services will support:

- Use of best and promising practices to improve efforts in Suicide Prevention;
- Efforts by Alaska's schools to address Childhood Overweight and Obesity;
- Continuation of phased implementation of the Front Line Social Worker Workload Study in the Office of Children's Services;
- Implementation Youth Gang and Violence Reduction project strategies;
- Continuation of efforts to improve Tobacco Cessation and Prevention programs;
- Enhancement of the Senior Outreach, Assessment and Referral project (SOAR);
- Staffing for the Medicaid FASD demonstration project;
- Implementation of the Preventing Underage Drinking Initiative program;
- Continuation of enhanced Behavioral Health Services for youth in Juvenile Justice;
- Implementation of Year 3 of the Adult Dental Preventative program;
- Implementation of appropriate strategies from the action plan developed by the Governor's Health Care Strategies Planning Council.

Review Privatization Options: In FY09 the department will conduct feasibility studies regarding potential privatization of:

- the Alaska Pioneer Homes;
- the Alaska Psychiatric Institute (API).

Cost Savings/Efficiencies: DHSS reviewed current programs for potential cost savings to offset a portion of the additional resources requested in the FY09 budget, and/or investments which could be made in FY09 to help contain future costs. Areas identified for potential cost savings/efficiencies include:

- Medicaid Cost Containment for Pharmacy and End Stage Renal Dialysis;
- Medicaid rate reductions for some durable medical equipment;
- Additional projected savings in Personal Care Attendant program costs;
- Investments in recommended strategies identified through the Pacific Health Study Medicaid report.

Mental Health Trust Recommendations: The Alaska Mental Health Trust Authority has recommended a series of investments in the DHSS budget to improve conditions for their beneficiaries. The investments are for a wide variety of programs including housing, justice, support of Board initiatives and the Bring the Kids Home program.

Major Department Accomplishments in 2007

- Secured passage of new legislation and promulgated new regulations creating the Senior Benefit Program to provide cash assistance to low-income Alaskan Seniors.

- Continued to work with providers through the Bring the Kids Home project to develop in-state residential and community based treatment options for children and youth with an emphasis on minimizing the number and duration of out-of-state placements. As of June 30, 2007 there were 287 children in out-of-state placement, compared to 429 out of state in spring 2006. In fall 2007, implemented a home and community-based waiver program for Severely Emotionally Disturbed Children diagnosed with Fetal Alcohol Spectrum Disorder.

- Established new Medicaid eligibility regulations that promote efficient program administration by both the department and providers of Medicaid services; and provide Medicaid clients with clear guidance as to their

rights and responsibilities.

- Provided leadership and staffing for the Alaska Health Strategies Planning Council established through Administrative Order 232 to complete an action plan for submission to the Governor and Legislature with long and short-term strategies to effectively provide access to quality health care and to help reduce the costs of health care for Alaskans.

- Broke ground and began construction of a new virology lab in Fairbanks.

- Dedicated and received Certification by the U.S. Department of Veterans Affairs to begin operation of the first state Veteran's Home, the Alaska Veterans and Pioneers Home.

- The Office of Children's Services evaluated operations and based on recommendations, continued systems improvement to better serve and protect the children of the state.

- The Office of Faith Based and Community Initiatives used a $500,000 grant from the federal Health and Human Services Compassion Capital Fund for a demonstration project to help local faith-based, grassroots and community organizations strengthen their outreach.

- Behavioral Health continued integrating the two former systems that provided community mental health and community drug and alcohol treatment into a single behavioral health system.

- Expanded dental coverage to include adult preventative services.

- Supported tobacco enforcement legislation that reinforced the state's commitment to keeping tobacco products out of the hands of youth under the age of 19.

- Appointed a negotiated Rulemaking committee to bring together various stakeholders for the purpose of reaching consensus on recommended improvements to the Certificate of Need program statutes, regulations, and policies so that the program functions as an effective tool to help ensure that affordable quality health care is accessible to all Alaskans.

Prioritization of Agency Programs

(Statutory Reference AS 37.07.050(a)(13))

Prioritization of program resources is based on four key factors:

- Relevance of the activity to the department's mission.
- The Department has sole responsibility for providing service.
- Protection of vulnerable Alaskans.
- Provision of direct services to clients.

1. Alaska Psychiatric Institute
2. GRA/Temporary Assisted Living (Sr. & Disabilities Svcs)
3. Epidemiology
4. Alaska Temporary Assistance Program (ATAP)
5. Tribal Assistance Programs
6. Pioneer Homes
7. HCS Medicaid Services
8. Senior and Disabilities Medicaid Services
9. Behavioral Health Medicaid Services
10. Children's Medicaid Services
11. Senior Benefits Program
12. Probation Services
13. Adult Public Assistance
14. Community Developmental Disabilities Grants
15. Foster Care Base Rate
16. Foster Care Augmented Rate
51. Youth Courts
52. Certification and Licensing
53. State Medical Examiner
54. Senior Residential Services
55. General Relief Assistance (Public Assistance)
56. Community Health Grants
57. Community Action Prevention & Intervention Grants
58. Designated Evaluation and Treatment
59. Commissioner's Office
60. Administrative Support Services
61. Facilities Management
62. Quality Assurance and Audit
63. Health Stratetgies Council
64. Information Technology Services
65. Public Affairs
66. Rate Review
67. Quality Control (Public Assistance)

17. Foster Care Special Need
18. McLaughlin Youth Center
19. Delinquency Prevention
20. Fairbanks Youth Facility
21. Johnson Youth Center
22. Bethel Youth Facility
23. Nome Youth Facility
24. Ketchikan Regional Youth Facility
25. Mat-Su Youth Facility
26. Kenai Peninsula Youth Facility
27. Public Health Laboratories
28. Residential Child Care
29. Psychiatric Emergency Services
30. Behavioral Health Grants
31. Rural Services and Suicide Prevention
32. Services for Severely Emotionally Disturbed Youth
33. AK Fetal Alcohol Syndrome Program
34. Services to the Seriously Mentally Ill
35. Catastrophic and Chronic Illness Assistance
36. Nursing
37. Front Line Social Workers
38. Adult Preventative Dental Medicaid Svcs
39. Subsidized Adoptions & Guardianship
40. Child Care Benefits
41. Work Services
42. Chronic Disease Prevention/Health Promotion
43. Energy Assistance Program
44. Bureau of Vital Statistics
45. Emergency Medical Services Grants
46. Human Services Community Matching Grant
47. Senior Community Based Grants
48. Women, Infants and Children
49. Family Preservation
50. Infant Learning Program Grants
68. Fraud Investigation
69. Hearings and Appeals
70. Office/Faith-Based and Community Initiatives
71. Health Planning & Infrastructure
72. Facilities Maintenance
73. Pioneers Homes Facilities Maintenance
74. Children's Services Training
75. Public Assistance Field Services
76. Child Protection Legal Svcs
77. Injury Prev/Emerg Med Svcs
78. Preparedness Program
79. Tobacco Prevention and Control
80. Assessment and Planning (Medicaid)
81. Women, Children & Family Health
82. Medicaid School Based Administrative Claims
83. HSS State Facilities Rent
84. Alaskan Pioneer Homes Management
85. Behavioral Health Administration
86. Children's Services Management
87. Medical Assistance Administration
88. Public Assistance Administration
89. Public Health Administrative Services
90. Senior and Disabilities Services Administration
91. Permanent Fund Dividend Hold Harmless
92. Council on Faith Based & Community Initiatives
93. Children's Trust Programs
94. Alcohol Safety Action Program (ASAP)
95. Alaska Mental Health/Alcohol & Drug Abuse Brds
96. Commission on Aging
97. Governor's Council on Disabilities
98. Pioneers Homes Advisory Board
99. Suicide Prevention Council

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Department Budget Summary by RDU

All dollars shown in thousands

	FY2007 Actuals				FY2008 Management Plan				FY2009 Governor			
	General Funds	Federal Funds	Other Funds	Total Funds	General Funds	Federal Funds	Other Funds	Total Funds	General Funds	Federal Funds	Other Funds	Total Funds
Formula Expenditures												
Behavioral Health	60,240.7	84,433.8	63.6	144,738.1	65,179.5	102,961.8	2,400.0	170,541.3	72,790.0	100,552.9	2,400.0	175,742.9
Children's Services	26,202.7	20,653.5	1,949.4	48,805.6	27,142.4	24,106.2	1,942.7	53,191.3	27,804.0	23,672.1	3,837.8	55,313.9
Adult Prev Dental Medicaid Svcs	56.8	251.6	110.1	418.5	1,543.1	7,323.9	1,425.0	10,292.0	3,518.7	5,348.3	1,400.0	10,267.0
Health Care Services	191,427.0	397,117.4	25,345.8	613,890.2	223,526.0	445,749.5	21,889.8	691,165.3	250,015.0	441,463.8	21,889.8	713,368.6
Public Assistance	93,792.0	43,060.7	21,562.1	158,414.8	89,649.3	54,088.3	19,842.4	163,580.0	110,014.6	49,396.4	19,842.4	179,253.4
Senior and Disabilities Svcs	118,991.9	162,737.1	1,454.2	283,183.2	137,245.9	178,789.1	2,575.0	318,610.0	151,370.2	179,816.4	2,879.8	334,066.4
Departmental Support Services	0.0	5,599.4	0.0	5,599.4	0.0	6,243.8	0.0	6,243.8	0.0	6,243.8	0.0	6,243.8
Non-Formula Expenditures												
Alaska Pioneer Homes	28,090.5	66.6	19,697.3	47,854.4	30,426.1	314.7	20,396.6	51,137.4	32,249.7	291.0	21,411.0	53,951.7
Behavioral Health	31,566.7	8,718.8	40,097.4	80,382.9	39,674.9	10,892.1	40,432.0	90,999.0	64,206.6	11,473.8	42,449.3	118,129.7
Children's Services	34,093.0	48,693.2	6,254.5	89,040.7	36,700.8	30,805.8	4,602.8	72,109.4	40,909.4	31,957.0	4,810.6	77,677.0
Health Care Services	8,797.9	17,555.6	197.4	26,550.9	8,224.0	20,659.5	3.4	28,886.9	9,412.7	21,926.8	1,428.4	32,767.9
Juvenile Justice	40,116.7	1,941.4	1,078.1	43,136.2	39,973.5	3,569.8	1,184.2	44,727.5	45,438.6	3,569.8	1,194.7	50,203.1
Public Assistance	20,507.8	36,054.1	673.9	57,235.8	20,973.6	66,227.3	4,870.1	92,071.0	22,248.0	67,472.5	5,832.9	95,553.4
Public Health	26,769.1	26,784.5	19,866.7	73,420.3	28,711.4	34,657.0	22,092.6	85,461.0	32,960.0	38,777.6	25,705.1	97,442.7
Senior and Disabilities Svcs	23,753.0	11,478.1	1,588.4	36,819.5	21,122.5	12,457.7	1,385.2	34,965.4	28,220.1	13,116.4	1,390.1	42,726.6
Departmental Support Services	21,928.4	16,827.3	4,193.0	42,948.7	22,409.1	23,320.1	9,535.8	55,265.0	45,328.0	43,458.0	10,174.7	98,960.7
Boards and Commissions	468.8	1,246.4	1,270.6	2,985.8	617.8	1,647.3	1,622.6	3,887.7	514.3	1,752.8	1,765.8	4,032.9
Human Svcs Comm Matching Grant	1,485.3	0.0	0.0	1,485.3	1,485.3	0.0	0.0	1,485.3	1,485.3	0.0	0.0	1,485.3
Totals	**728,288.3**	**883,219.5**	**145,402.5**	**1,756,910.3**	**794,605.2**	**1,023,813.9**	**156,200.2**	**1,974,619.3**	**938,485.2**	**1,040,289.4**	**168,412.4**	**2,147,187.0**

Funding Source Summary

All dollars in thousands

Funding Sources	FY2007 Actuals	FY2008 Management Plan	FY2009 Governor
1002 Federal Receipts	883,217.5	1,023,811.9	1,040,287.4
1003 General Fund Match	378,767.1	406,882.8	472,721.1
1004 General Fund Receipts	250,331.0	283,962.1	330,946.5
1007 Inter-Agency Receipts	70,972.4	70,473.3	73,844.6
1013 Alcoholism & Drug Abuse Revolving Loan	2.0	2.0	2.0
1037 General Fund / Mental Health	99,190.2	103,760.3	134,817.6
1050 Permanent Fund Dividend Fund	12,598.2	12,884.7	12,884.7
1061 Capital Improvement Project Receipts	864.4	1,408.5	4,079.0
1092 Mental Health Trust Authority Authorized Receipts	4,828.6	8,622.2	8,007.0
1098 Children's Trust Earnings	179.4	399.7	399.7
1099 Children's Trust Principal	75.0	150.0	150.0
1108 Statutory Designated Program Receipts	12,192.3	15,145.0	18,429.0
1156 Receipt Supported Services	19,317.1	20,741.8	23,181.6
1168 Tobacco Use Education and Cessation Fund	5,182.9	7,482.3	8,524.5
1180 Alcohol & Other Drug Abuse Treatment & Prevention Fund	16,542.7	18,892.7	18,912.3
1189 Senior Care Fund	2,649.5		
Totals	**1,756,910.3**	**1,974,619.3**	**2,147,187.0**

Position Summary

Funding Sources	FY2008 Management Plan	FY2009 Governor
Permanent Full Time	3,367	3,447
Permanent Part Time	103	98
Non Permanent	155	135
Totals	**3,625**	**3,680**

FY2009 Capital Budget Request

Project Title	General Funds	Federal Funds	Other Funds	Total Funds
McLaughlin Youth Center Renovation to Meet Safety and Security Needs, Phase 1	19,503,700	0	0	19,503,700
Sitka Pioneer Home Roof Replacement	1,900,000	0	0	1,900,000
Alaska DHSS Deferred Maintenance, Renovation, Repair and Equipment	0	81,600	7,110,000	7,191,600
Non-Pioneer Home Deferred Maintenance, Renovation, Repair and Equipment	750,000	7,600	0	757,600
Federally Mandated Child and Family Services Review	151,700	48,300	0	200,000
Safety and Support Equipment for Probation Officers, Social Workers, and Pioneer Home Residents and Staff	750,000	87,800	0	837,800
Information Services Security Enhancements	0	1,000,000	0	1,000,000
Craig Public Health Center Replacement	797,900	0	0	797,900
Emergency Medical Services Ambulances and Equipment Statewide – Match for Code Blue Project	425,000	0	0	425,000
MH Essential Program Equipment	250,000	0	0	250,000
MH Home Modification and Upgrades to Retain Housing	250,000	0	250,000	500,000
MH Treatment and Recovery Based Special Needs Housing	250,000	0	500,000	750,000
Department Total	**25,028,300**	**1,225,300**	**7,860,000**	**34,113,600**

This is an appropriation level summary only. For allocations and the full project details see the capital budget.

Summary of Department Budget Changes by RDU

From FY2008 Management Plan to FY2009 Governor

All dollars shown in thousands

	General Funds	Federal Funds	Other Funds	Total Funds
FY2008 Management Plan	**794,605.2**	**1,023,813.9**	**156,200.2**	**1,974,619.3**
Adjustments which will continue current level of service:				
-Alaska Pioneer Homes	1,559.2	0.1	401.4	1,960.7
-Behavioral Health	8,267.0	-5,372.7	-3,991.7	-1,097.4
-Children's Services	1,663.7	255.0	-120.2	1,798.5
-Adult Prev Dental Medicaid Svcs	1,975.6	-1,975.6	-1,425.0	-1,425.0
-Health Care Services	11,782.9	-14,785.0	9.8	-2,992.3
-Juvenile Justice	2,146.3	0.0	-178.7	1,967.6
-Public Assistance	1,050.6	1,124.0	48.8	2,223.4
-Public Health	1,263.5	752.5	240.5	2,256.5
-Senior and Disabilities Svcs	10,329.3	-8,828.7	-742.9	757.7
-Departmental Support Services	-777.6	-1,284.7	301.2	-1,761.1
-Boards and Commissions	22.0	16.0	-1,000.9	-962.9
Proposed budget decreases:				
-Alaska Pioneer Homes	0.0	-23.8	0.0	-23.8
-Behavioral Health	0.0	-803.2	0.0	-803.2
-Children's Services	0.0	0.0	-2.0	-2.0
-Health Care Services	-793.9	-16,840.4	0.0	-17,634.3
-Public Assistance	0.0	-5,000.0	0.0	-5,000.0
-Senior and Disabilities Svcs	-3,000.0	0.0	0.0	-3,000.0
-Boards and Commissions	0.0	0.0	-2.5	-2.5
Proposed budget increases:				
-Alaska Pioneer Homes	264.4	0.0	613.0	877.4
-Behavioral Health	23,749.7	4,348.7	6,009.0	34,107.4
-Children's Services	3,206.5	462.1	2,225.1	5,893.7
-Adult Prev Dental Medicaid Svcs	0.0	0.0	1,400.0	1,400.0
-Health Care Services	16,018.4	27,863.2	1,415.2	45,296.8
-Juvenile Justice	3,318.8	0.0	189.2	3,508.0
-Public Assistance	20,589.1	429.3	914.0	21,932.4
-Public Health	2,834.4	0.0	3,173.5	6,007.9
-Senior and Disabilities Svcs	13,892.6	10,514.7	1,052.6	25,459.9
-Departmental Support Services	24,517.5	25,534.5	536.2	50,588.2
-Boards and Commissions	0.0	89.5	1,146.6	1,236.1
FY2009 Governor	**938,485.2**	**1,040,289.4**	**168,412.4**	**2,147,187.0**